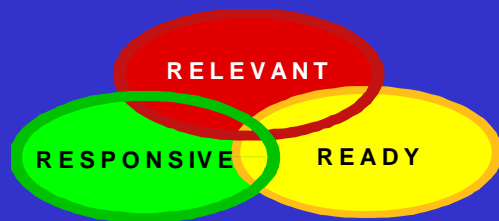
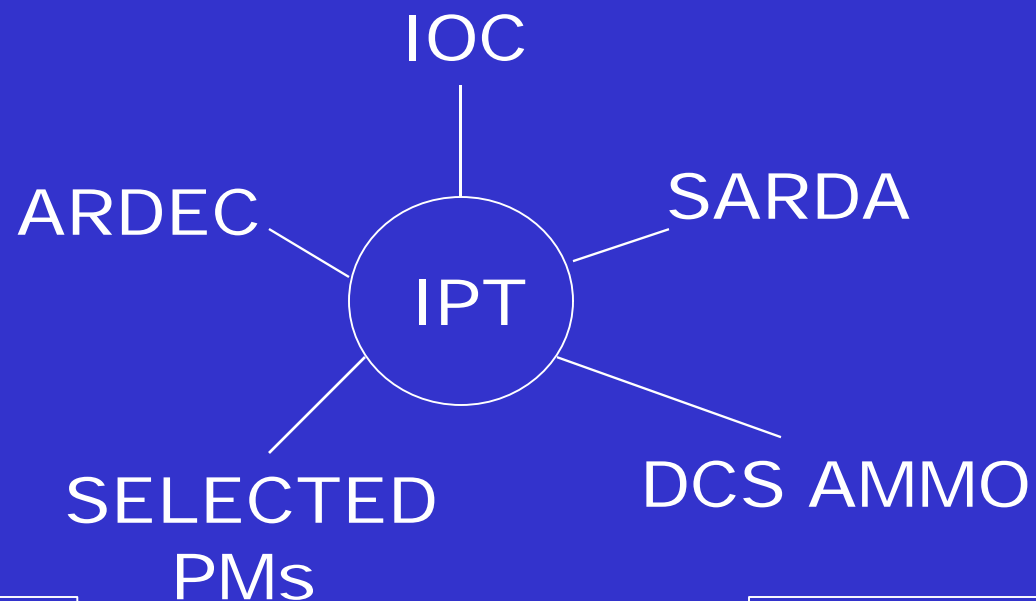


BUSINESS CASE IPT



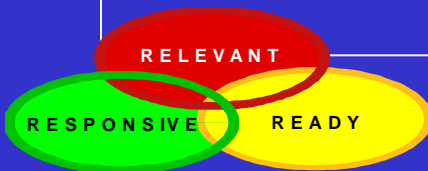
Jean L. Ligeno
Industrial Operations
Command
DSN 793-6894

TEAM COMPOSITION



Jean Ligeno
IOC Chair

Tom McWilliams
TACOM-ARDEC
Vice Chair



BUSINESS CASE IPT BACKGROUND

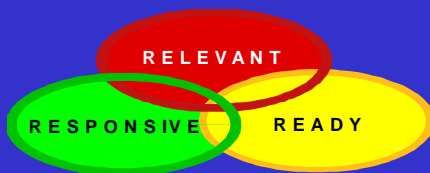
PNNL STUDY

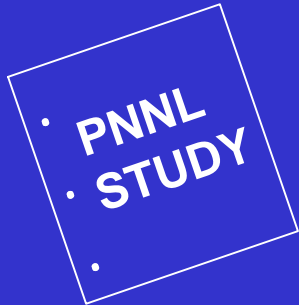
❧ Assess current munitions base

❧ Ammunition Production Base is:

- Oversized
- Inflexible

- Inefficient
- Obsolete





BACKGROUND

(continued)

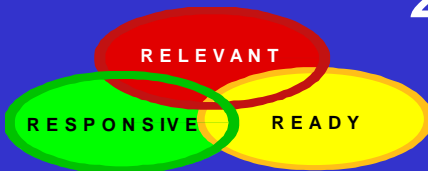
GEN Wilson e-mail GEN Reimer - 28 Jul 97

– Agree in Principle with Recommendations

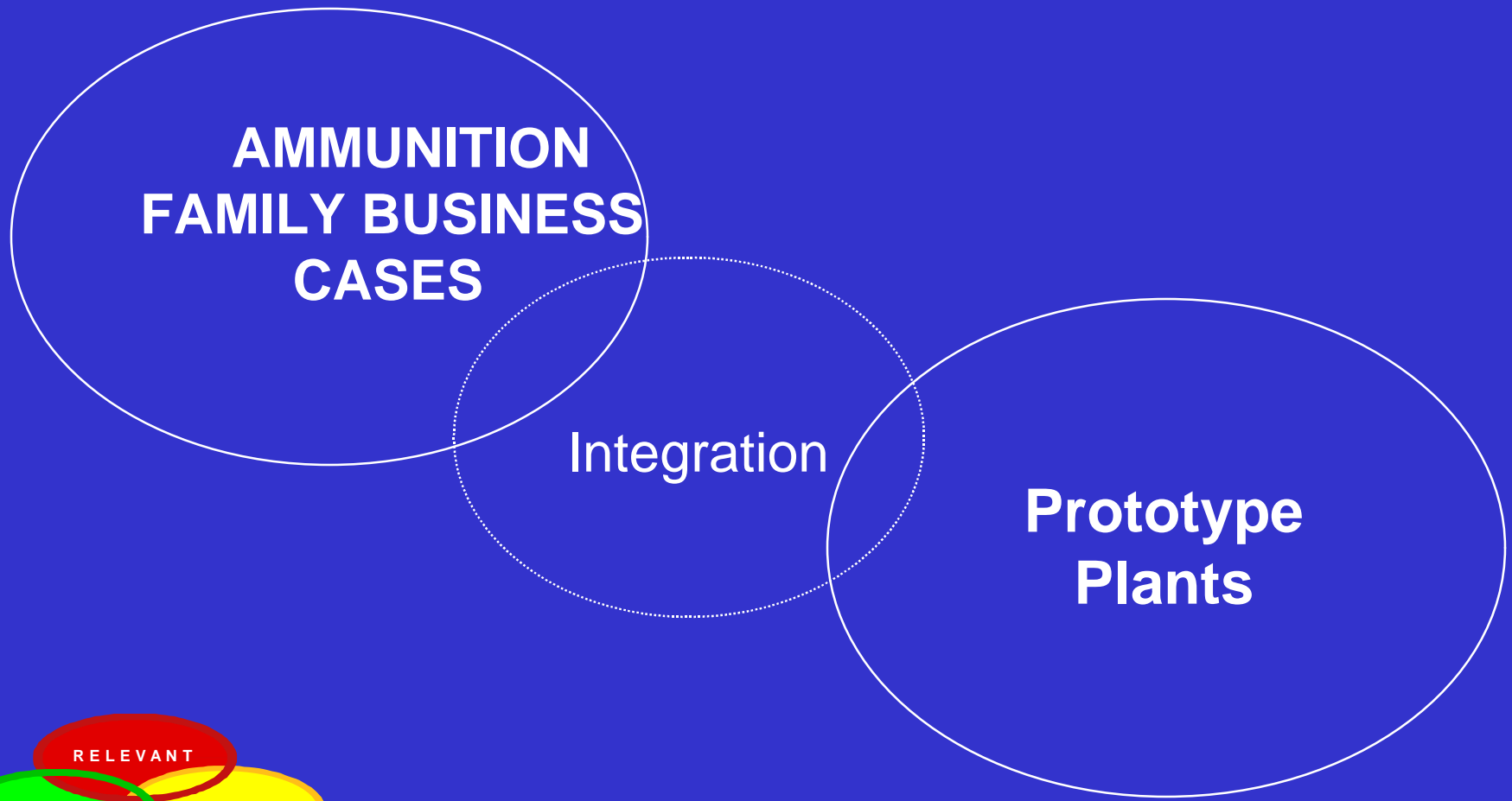
- Manage base through competition vs. workloading
- Commercialize organic base
- Smart acquisition practice - long term, consolidation, link peacetime/replenishment
- Consolidate munitions management

2 or 3 prototype plants

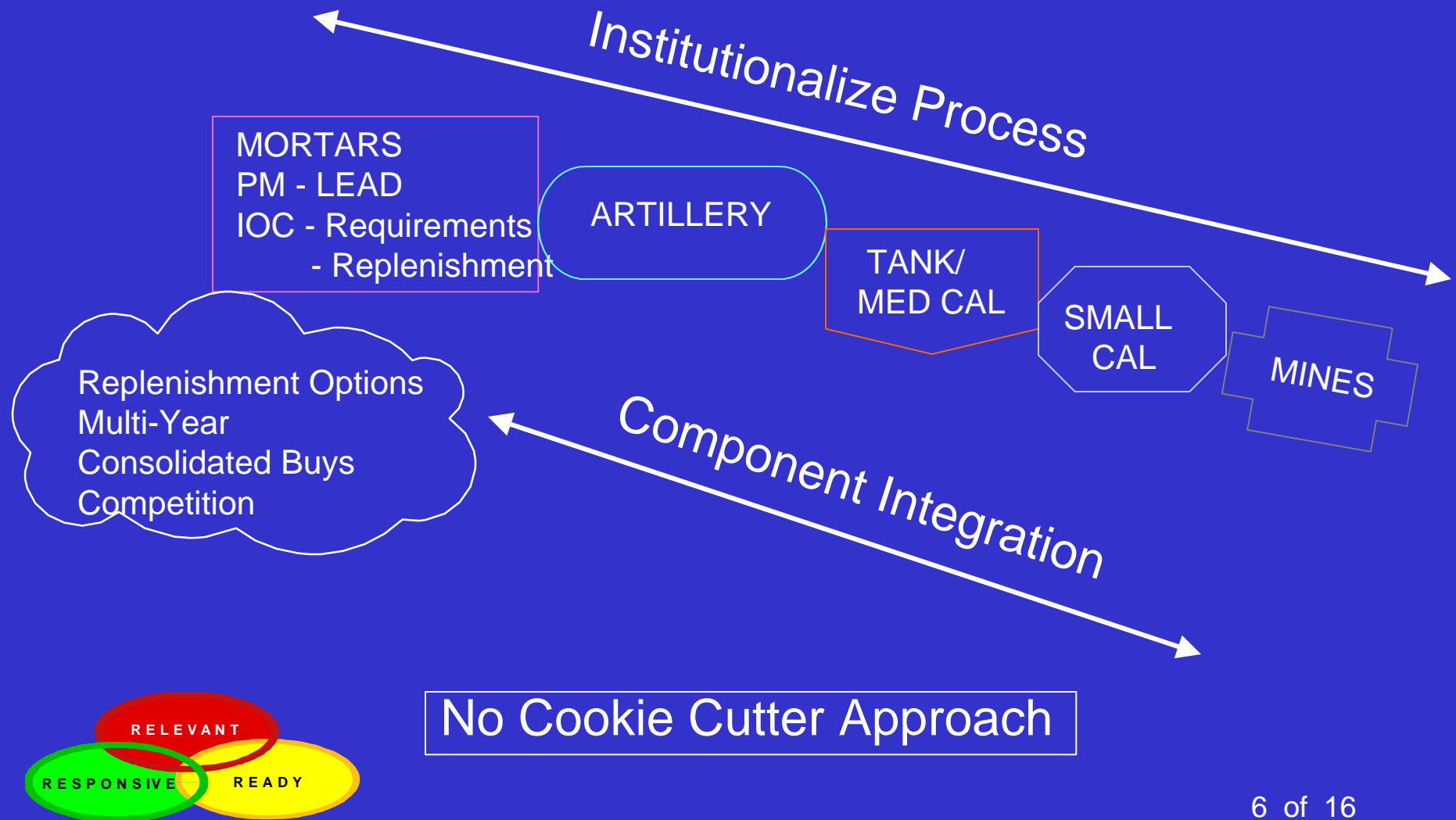
2 IPTs



2 PRONG APPROACH



AMMUNITION FAMILY BUSINESS CASES



PROTOTYPE PLANTS PRELIMINARY REVIEW

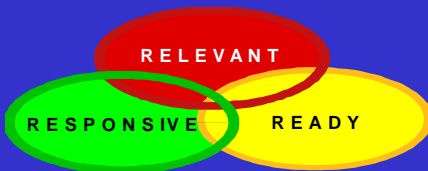
XMAT
Active
(HOLSTON)

Louisiana
Inactive

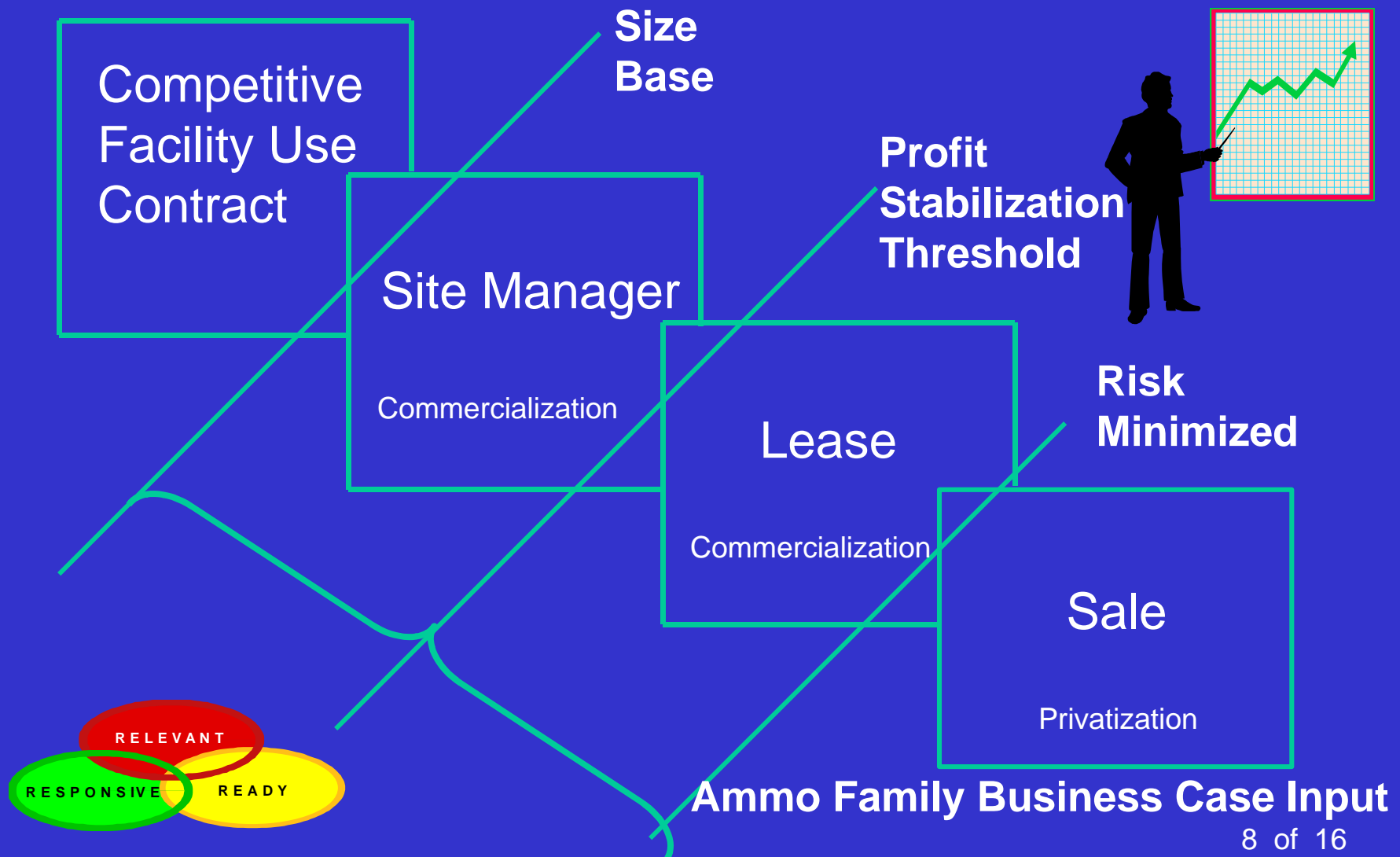
Scranton
Inactive

On-going
Actions

Reviewed Against Site
Manager Attributes of the
Study. XMAT met 14 out of
16 Attributes. Louisiana met
12 and Scranton 10.



PHASED SITE MANAGER CONCEPT



Actual Cases

FY 98/99

Small Caliber Competition

FY 98/00

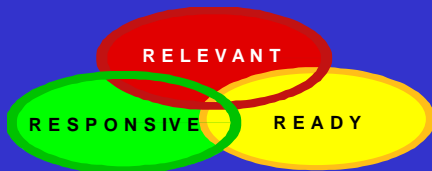
Metal Parts

FY 02/03

Load, Assemble & Pack

FY 03/05

Propellant



PRODUCTION BASE ASSESSMENT IMPLEMENTATION PLANNING SCHEDULE

<u>Ammo Family</u>	FY97				FY98				FY99				FY00				FY01				FY02				FY 03			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				

Mortars
Artillery
Tank/Med Caliber
Small Cal
Mines

GOCO Operation

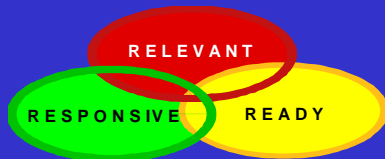
Small Cal
Metal Parts
LAP
Propellants

Component Integration

Overarching
Authority to
maintain healthy
base

Input to Teams

Continuous
Feedback of
Lessons Learned &
Strategy Adjustment

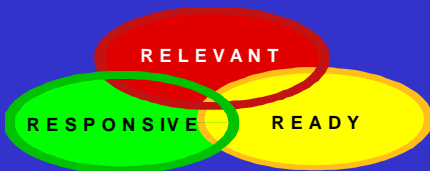


ITEM 1

Manage the base through competitive acquisition rather than direct workloading of plants.

ACTION: Increase Competition

EXAMPLES: IOC Plan to be out of GOCO workloading by 2001
XMAT
Mortars
Tank Ammo
Ammunition Family Business Case
Longhorn



ITEM 2

Commercialize the organic base: Make it work for us.

ACTION: Selected prototypes.

EXAMPLES: XMAT

Scranton

Louisiana

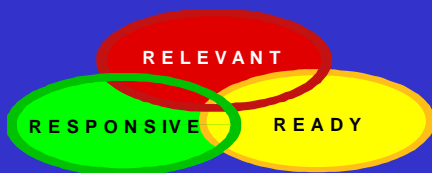
Proposed schedule for GOCO

Competitions to size base.

Small Cal (LCAAP) Competition team
established.

5-Excess Plants

- Badger, Indiana, Kansas (partial), Sunflower,
Volunteer



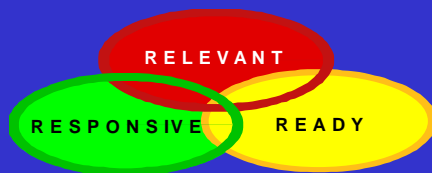
ITEM 3

Stabilize the market through smart acquisition practices - longer-term consolidated procurements - link peacetime and replenishment requirements contractually.

ACTION: Started Ammunition Family Business Case Sub-IPTs
Implementing Acquisition Reform
Developed methodology to incorporate replenishment into Best Value competitive contracts

EXAMPLES: Procurement Consolidation - Most med cal 25/30mm
Tank Training Ammo
M865/M831
Grenade Fuzes M213/M228
120mm Mortar

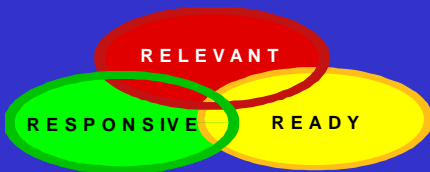
Multiple Year Procurements - (Rule rather than exception)
- Med cal (5 yrs)
Tank Training FY 95-98/FY 99-03
M550 Fuze
Hand Grenade Fuzes M213/M228
120mm Mortar



POLICY

SARDA 98-1

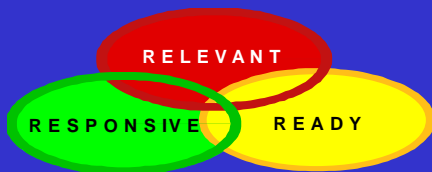
- **Manage ammunition using DOD's life-cycle acquisition process.**
- **Use acquisition reform initiatives to stabilize the business environment and provide incentives for private investment in the production base.**



POLICY SARDA 98-1

(CONTINUED)

- Rely on the private sector to create and sustain ammunition production assets in response to production and replenishment contracts.
- To the maximum extent feasible, transition government-owned ammunition production assets to the private sector while preserving the ability to conduct explosives handling operations safely.



CONCLUSIONS

1. Developed timeline for completion of Ammunition Family Business Cases and actual ammunition plant cases.
2. PNNL recommendations will work for some families of ammunition and plants but cannot be a cookie cutter approach.
3. Site Manager Concept needs to be a phased approach.
4. Army initiatives already underway match PNNL recommendations.
5. IPT will be dissolved and monitoring of the planned actions will be accomplished by DCS Ammo.

